

ANNUAL STATEMENT

OF THE

Windsor Health Plan of TN, Inc.

of

Brentwood

in the state of

Tennessee

TO THE

Insurance Department

OF THE STATE OF

Tennessee

FOR THE YEAR ENDED
DECEMBER 31, 2005

2005

ANNUAL STATEMENT

For the Year Ending December 31, 2005

OF THE CONDITION AND AFFAIRS OF THE

Windsor Health Plan of TN, Inc.

NAIC Group Code	1268	1268	NAIC Company Code	95792	Employer's ID Number	62-1531881
	(Current Period)	(Prior Period)				
Organized under the Laws of	Tennessee		State of Domicile or Port of Entry	Tennessee		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[]		Property/Casualty[]		Hospital, Medical & Dental Service or Indemnity[]	
	Dental Service Corporation[]		Vision Service Corporation[]		Health Maintenance Organization[X]	
	Other[]		Is HMO Federally Qualified? Yes[] No[X] N/A[]			
Incorporated/Organized	05/14/1993		Commenced Business	01/01/1994		
Statutory Home Office	7100 Commerce Way, Suite 285		Brentwood, TN 37027			
	(Street and Number)		(City, or Town, State and Zip Code)			
Main Administrative Office	215 Centerview Drive, Suite 300					
	(Street and Number)					
	Brentwood, TN 37027		(615)782-7800			
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	7100 Commerce Way, Suite 285		Brentwood, TN 37027			
	(Street and Number or P.O. Box)		(City, or Town, State and Zip Code)			
Primary Location of Books and Records	7100 Commerce Way, Suite 285					
	(Street and Number)					
	Brentwood, TN 37027		(615)782-7914			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address						
Statutory Statement Contact	Jennifer Giannotti		(615)782-7914			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	jgiannotti@windsorhealthgroup.com		(615)782-7826			
	(E-Mail Address)		(Fax Number)			
Policyowner Relations Contact						
			(Street and Number)			
			(City, or Town, State and Zip Code)			
			(Area Code) (Telephone Number)(Extension)			

OFFICERS

Name	Title
Michael Bailey	President
Willis Jones	Secretary
	Treasurer

OTHERS

DIRECTORS OR TRUSTEES

Philip Hertik
Michael Bailey

Willis Jones

State of Tennessee
County of Williamson ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Michael Bailey	Willis Jones	
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
day of , 2006

a. Is this an original filing?
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	2,803,180		2,803,180	1,340,158
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$..... encumbrances)				
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....2,249,235 Schedule E Part 1), cash equivalents (\$..... Schedule E Part 2) and short-term investments (\$..... Schedule DA)	2,249,235		2,249,235	3,758,728
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets (Schedule BA)				
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	5,052,415		5,052,415	5,098,886
11.	Title plants less \$..... charged off (for Title insurers only)				
12.	Investment income due and accrued	32,307		32,307	8,434
13.	Premiums and considerations				
13.1	Uncollected premiums and agents' balances in the course of collection				
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$..... earned but unbilled premiums)				
13.3	Accrued retrospective premiums				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers				
14.2	Funds held by or deposited with reinsured companies				
14.3	Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans	21,622		21,622	36,865
16.1	Current federal and foreign income tax recoverable and interest thereon				
16.2	Net deferred tax asset				
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software				
19.	Furniture and equipment, including health care delivery assets (\$.....)				
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates	347,586		347,586	
22.	Health care (\$.....) and other amounts receivable				
23.	Aggregate write-ins for other than invested assets	64,940	64,940		
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	5,518,870	64,940	5,453,930	5,144,185
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	5,518,870	64,940	5,453,930	5,144,185
DETAILS OF WRITE-INS					
0901	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Prepaid Expenses	64,940	64,940		
2302	.....			
2303	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	64,940	64,940		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)				
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses				
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	236		236	
9.	General expenses due or accrued	67,170		67,170	68,519
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittance and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates				100,019
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$..... current)	98,000		98,000	
22.	Total liabilities (Lines 1 to 21)	165,406		165,406	168,538
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X	100,000	100,000
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X	85,190,279	85,190,279
27.	Surplus notes	X X X	X X X	4,231,300	4,231,300
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X	(6,955,991)	(6,955,991)
29.	Unassigned funds (surplus)	X X X	X X X	(77,277,064)	(77,589,941)
30.	Less treasury stock, at cost:				
30.1	..... shares common (value included in Line 24 \$.....)	X X X	X X X		
30.2	..... shares preferred (value included in Line 25 \$.....)	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	5,288,524	4,975,647
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	5,453,930	5,144,185
DETAILS OF WRITE-INS					
2101.	Settlement Liability	98,000		98,000	
2102	.....			
2103	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	98,000		98,000	
2301	.....	X X X	X X X		
2302	.....	X X X	X X X		
2303	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	Dividend to Vanderbilt University	X X X	X X X	(6,955,991)	(6,955,991)
2802	.....	X X X	X X X		
2803	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X	(6,955,991)	(6,955,991)

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	512,718	416,116
2.	Net premium income (including \$..... non-health premium income)	X X X		
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X		
Hospital and Medical:				
9.	Hospital/medical benefits		(19,038)	(55,034)
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area			
13.	Prescription drugs			
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		(19,038)	(55,034)
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)		(19,038)	(55,034)
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$..... cost containment expenses			
21.	General administrative expenses		(326,674)	(149,967)
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		(345,712)	(205,001)
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	345,712	205,001
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		130,105	63,872
26.	Net realized capital gains (losses) less capital gains tax of \$.....			
27.	Net investment gains (losses) (Lines 25 plus 26)		130,105	63,872
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses		(98,000)	
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	377,817	268,873
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	377,817	268,873
DETAILS OF WRITE-INS				
0601.	Other Revenue - Performance Guarantee	X X X		
0602	.....	X X X		
0603	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701	.....	X X X		
0702	.....	X X X		
0703	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401	.....		
1402	.....		
1403	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	Settlement Expense		(98,000)	
2902	.....		
2903	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		(98,000)	

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	4,975,647	4,387,792
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	377,817	268,873
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(64,940)	318,982
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	312,877	587,855
49.	Capital and surplus end of reporting year (Line 33 plus 48)	5,288,524	4,975,647
DETAILS OF WRITE-INS			
4701.	Dividend to Vanderbilt University		
4702	.....	
4703	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

Windsor Health Plan of TN, Inc.

Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES & EXPENSES

		Current Year	Prior Year Year
	MEMBER MONTHS	379,883	334,760
	REVENUES:		
1.	TennCare Capitation*	83,797,270	69,305,508
2.	Investment	172,558	92,616
3.	Other Revenue (Provide Detail)	-	-
4.	TOTAL REVENUES (Lines 1 to 3)	83,969,828	69,398,124
	EXPENSES:		
	Medical and Hospital Services		
5.	Capitated Physician Services	1,945,280	1,360,368
6.	Fee-for-Service Physician Services	18,923,216	9,715,196
7.	Inpatient Hospital Services	42,455,459	13,874,913
8.	Outpatient Services	22,109,968	11,665,233
9.	Emergency Room Services	-	-
10.	Mental Health Services	-	-
11.	Dental Services	22,980	6,186
12.	Vision Services	299,910	-
13.	Pharmacy Services	(13,678)	1,355
14.	Home Health Services	-	649,018
15.	Chiropractic Services	Not available	Not available
16.	Radiology Services	Not available	Not available
17.	Laboratory Services	-	-
18.	Durable Medical Equipment Services	Not available	Not available
19.	Transportation Services	1,978,622	1,634,744
20.	Outside Referrals	-	-
21.	Medical Incentive Pool and Withhold Adjustments	-	-
22.	Occupancy, Depreciation, and Amortization	-	-
23.	Other Medical and Hospital Services (Provide Detail)	8,056,635	34,643,417
24.	Subtotal (Lines 5 to 23)	95,778,392	73,550,429
25.	Reinsurance Expenses Net of Recoveries	-	-
	LESS:		
26.	Copayments	Not available	Not available
27.	Subrogation	Not available	Not available
28.	Coordination of Benefits	Not available	Not available
29.	Subtotal (Lines 26 to 28)	-	-
30.	TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)	95,778,392	73,550,429
	Administraton:		
31.	Compensation	-	1,497,259
32.	Marketing	-	32
33.	Interest Expense	-	-
34.	Premium Tax Expense	2,128,792	1,386,110
35.	Occupancy, Depreciation, and Amortization	42,453	28,744
36.	Other Administrative (Provide Detail)	11,023,741	4,157,480
37.	TOTAL ADMINISTRATION (Lines 31 to 36)	13,194,986	7,069,625
38.	TOTAL EXPENSES (Lines 30 and 37)	108,973,378	80,620,054
39.	NET INCOME (LOSS) (Line 4 less Line 38)	(25,003,550)	(11,221,930)

23.	Detail of Other Medical and Hospital:		
	Ancillary Claims (includes DME, lab, rad, chiro, MH/SA, etc.)	2,818,869	1,667,995
	IBNR Adjustment	-	7,617,500
	Global Capitation	5,237,766	25,357,922
	Total Other Medical and Hospital	8,056,635	34,643,417

36.	Detail of Other Administrative:		
	Other Taxes and License Fees	1,000	660
	Consulting, Accounting, Legal Expense	170,325	62,191
	Bank Service Charges	-	-
	Pharmacy Administrative Expense	-	-
	Insurance Expense	-	-
	Physician Advisory Committee/ Med Dir Services	-	-
	Other Misc. Expenses	10,852,415	4,094,629
	Total Other Administrative	11,023,741	4,157,480

*TennCare capitation is estimated based on premium rates received from the Bureau of TennCare in 2002. These rates have not been adjusted in subsequent years and therefore do not reflect what true premium revenue would be in the current year. As a result, the net loss shown above is not an accurate reflection of WHP's financial results in a risk environment.

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	236	
2.	Net investment income	148,685	92,776
3.	Miscellaneous income		152,000
4.	Total (Lines 1 through 3)	148,921	244,776
5.	Benefit and loss related payments	(23,400)	237,500
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	176,339	(541,388)
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net of tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	152,939	(303,888)
11.	Net cash from operations (Line 4 minus 10)	(4,018)	548,664
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	540,000	770,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	540,000	770,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	2,045,475	811,387
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	2,045,475	811,387
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,505,475)	(41,387)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)		
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,509,493)	507,277
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	3,758,728	3,251,451
19.2	End of year (Line 18 plus Line 19.1)	2,249,235	3,758,728

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employee Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare	<div>NONE</div>		.....	.....
7.	Title XIX - Medicaid .....			.....	.....
8.	Stop loss .....			.....	.....
9.	Disability income .....			.....	.....
10.	Long-term care .....	.....	.....	.....	.....
11.	Other health .....	.....	.....	.....	.....
12.	Health subtotal (Lines 1 through 11) .....	.....	.....	.....	.....
13.	Life .....	.....	.....	.....	.....
14.	Property/casualty .....	.....	.....	.....	.....
15.	TOTALS (Lines 12 to 14) .....	.....	.....	.....	.....

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - Claims Incurred During the Year

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	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:													
1.1 Direct	(19,038)							(19,038)					
1.2 Reinsurance assumed													
1.3 Reinsurance ceded													
1.4 Net	(19,038)							(19,038)					
2. Paid medical incentive pools and bonuses													
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct													
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net													
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct													
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net													
5. Accrued medical incentive pools and bonuses, current year													
6. Net healthcare receivables (a)													
7. Amounts recoverable from reinsurers December 31, current year													
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct													
8.2 Reinsurance assumed													
8.3 Reinsurance ceded													
8.4 Net													
9. Claim reserve December 31, prior year from Part 2D:													
9.1 Direct													
9.2 Reinsurance assumed													
9.3 Reinsurance ceded													
9.4 Net													
10. Accrued medical incentive pools and bonuses, prior year													
11. Amounts recoverable from reinsurers December 31, prior year													
12. Incurred benefits:													
12.1 Direct	(19,038)							(19,038)					
12.2 Reinsurance assumed													
12.3 Reinsurance ceded													
12.4 Net	(19,038)							(19,038)					
13. Incurred medical incentive pools and bonuses													

(a) Excludes \$..... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

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	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:													
1.1 Direct													
1.2 Reinsurance assumed													
1.3 Reinsurance ceded													
1.4 Net													
2. Incurred but Unreported:													
2.1 Direct													
2.2 Reinsurance assumed													
2.3 Reinsurance ceded													
2.4 Net													
3. Amounts Withheld from Paid Claims and Capitations:													
3.1 Direct													
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net													
4. TOTALS													
4.1 Direct													
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net													

NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7.	Title XIX - Medicaid	(19,038)	.....	.....	.....	(19,038)	.....
8.	Other health .....	.....	.....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 to 8)	(19,038)	.....	.....	.....	(19,038)	.....
10.	Healthcare receivables (a) .....	.....	.....	.....	.....	.....	.....
11.	Other non-health .....	.....	.....	.....	.....	.....	.....
12.	Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13.	TOTALS (Lines 9 - 10 + 11 + 12)	(19,038)	.....	.....	.....	(19,038)	.....

(a) Excludes \$..... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	980	57	(27)	(8)	
2.	2001	5,673	2,273	(16)	(25)	
3.	2002	X X X	11,428	1,305	(19)	
4.	2003	X X X	X X X	10,094	3,674	
5.	2004	X X X	X X X	X X X	35,165	
6.	2005	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	980	57	(27)	(8)	
2.	2001	5,673	2,273	(16)	(25)	
3.	2002	X X X	11,428	1,305	(19)	
4.	2003	X X X	X X X	10,094	3,674	
5.	2004	X X X	X X X	X X X	35,165	
6.	2005	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2001	45,413	7,906			7,906	17.409			7,906	17.409
2.	2002	32,341	12,715			12,715	39.315			12,715	39.315
3.	2003	23	13,780			13,780	59,913.043			13,780	59,913.043
4.	2004		42,264			42,264				42,264	
5.	2005										

12 Total

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	980	57	(27)	(8)	
2.	2001	5,673	2,273	(16)	(25)	
3.	2002	X X X	11,428	1,305	(19)	
4.	2003	X X X	X X X	10,094	3,674	
5.	2004	X X X	X X X	X X X	35,165	
6.	2005	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	980	57	(27)	(8)	
2.	2001	5,673	2,273	(16)	(25)	
3.	2002	X X X	11,428	1,305	(19)	
4.	2003	X X X	X X X	10,094	3,674	
5.	2004	X X X	X X X	X X X	35,165	
6.	2005	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2001	45,413	7,906			7,906	17.409			7,906	17.409
2.	2002	32,341	12,715			12,715	39.315			12,715	39.315
3.	2003	23	13,780			13,780	59,913.043			13,780	59,913.043
4.	2004		42,264			42,264				42,264	
5.	2005										

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$..... for occupancy of own building)			143,975		143,975
2.	Salaries, wages and other benefits			2,526,475		2,526,475
3.	Commissions (less \$..... ceded plus \$..... assumed)					
4.	Legal fees and expenses			92,461		92,461
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services			547,244		547,244
7.	Traveling expenses			86,648		86,648
8.	Marketing and advertising			608,256		608,256
9.	Postage, express and telephone			182,897		182,897
10.	Printing and office supplies			272,406		272,406
11.	Occupancy, depreciation and amortization			66,761	42,453	109,214
12.	Equipment			167,467		167,467
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services			1,045,480		1,045,480
15.	Boards, bureaus and association fees			3,099		3,099
16.	Insurance, except on real estate			162,187		162,187
17.	Collection and bank service charges			24,884		24,884
18.	Group service and administration fees					
19.	Reimbursements by uninsured accident and health plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes					
23.3	Regulator authority licenses and fees			1,373		1,373
23.4	Payroll taxes			121,118		121,118
23.5	Other (excluding federal income and real estate taxes)			965		965
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses			(6,380,370)		(6,380,370)
26.	Total expenses incurred (Lines 1 to 25)			(326,674)	42,453	(a) (284,221)
27.	Less expenses unpaid December 31, current year	98,000		67,170		165,170
28.	Add expenses unpaid December 31, prior year			168,538		168,538
29.	Amounts receivable relating to uninsured accident and health plans, prior year			39,309		39,309
30.	Amounts receivable relating to uninsured accident and health plans, current year			28,428		28,428
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	(98,000)		(236,187)	42,453	(291,734)
DETAILS OF WRITE-INS						
2501.	Other Miscellaneous Expenses			62,742		62,742
2502.	ASO Administrative Fee Revenue			(6,443,112)		(6,443,112)
2503	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	Totals (Lines 2501 through 2503 + 2598)(Line 25 above)			(6,380,370)		(6,380,370)

(a) Includes management fees of \$.....6,043,112 to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 23,737	..... 97,019
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e)..... 75,539	..... 75,539
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 99,276	..... 172,558
11.	Investment expenses		(g)..... 42,453
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	Total deductions (Lines 11 through 15) .....		..... 42,453
17.	Net Investment income (Line 10 minus Line 16) .....		..... 130,105
DETAILS OF WRITE-INS			
0901	.....	.....	.....
0902	.....	.....	.....
0903	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501	.....	.....	.....
1502	.....	.....	.....
1503	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....
(a) Includes \$..... accrual of discount less \$.....42,453 amortization of premium and less \$.....53,256 paid for accrued interest on purchases.			
(b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.			
(c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(d) Includes \$..... for company's occupancy of its own buildings; and excludes \$..... interest on encumbrances.			
(e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(f) Includes \$..... accrual of discount less \$..... amortization of premium.			
(g) Includes \$..... investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.			
(i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1.	U.S. Government bonds				
1.1	Bonds exempt from U.S. tax				
1.2	Other bonds (unaffiliated)				
1.3	Bonds of affiliates				
2.1	Preferred stocks (unaffiliated)				
2.11	Preferred stocks of affiliates				
2.2	Common stocks (unaffiliated)				
2.21	Common stocks of affiliates				
3.	Mortgage loans				
4.	Real estate				
5.	Contract loans				
6.	Cash, cash equivalents and short-term investments				
7.	Derivative instruments				
8.	Other invested assets				
9.	Aggregate write-ins for capital gains (losses)				
10.	Total capital gains (losses)				
DETAILS OF WRITE-INS					
0901	.....	.....	.....	.....	.....
0902	.....	.....	.....	.....	.....
0903	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....

NONE

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties occupied for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)			
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued			
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection			
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3	Accrued retrospective premiums			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers			
14.2	Funds held by or deposited with reinsured companies			
14.3	Other amounts receivable under reinsurance contracts			
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon			
16.2	Net deferred tax asset			
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software			
19.	Furniture and equipment, including health care delivery assets			
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivable from parent, subsidiaries and affiliates			
22.	Health care and other amounts receivable			
23.	Aggregate write-ins for other than invested assets	64,940		(64,940)
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	64,940		(64,940)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	64,940		(64,940)
DETAILS OF WRITE-INS				
0901	.....		
0902	.....		
0903	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301.	Prepaid Expenses	64,940		(64,940)
2302	.....		
2303	.....		
2398.	Summary of remaining write-ins for Line 23 from overflow page			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	64,940		(64,940)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	38,361	41,390	43,053	43,937	40,951	512,718
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	38,361	41,390	43,053	43,937	40,951	512,718
DETAILS OF WRITE-INS							
0601	.....					
0602	.....					
0603	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

18 Exhibit 2 - Accident and Health Premiums NONE

19 Exhibit 3 - Health Care Receivables NONE

20 Exhibit 4 - Claims Unpaid NONE

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
Individually listed receivables							
Excess Management Fees	347,586					347,586	
0199999 Total - Individually listed receivables	347,586					347,586	
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable	347,586					347,586	

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
	<div>NONE</div>			
0399999 Total gross payables .....	..... X X X .....	.....	.....	.....

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

		1	2	3	4	5	6
		Direct Medical Expense Payment	Column 1 as a % of Total	Total Members Covered	Column 3 as a % of Total	Column 1 Expenses Paid to Affiliated Providers	Column 1 Expenses Paid to Non-Affiliated Providers
Payment Method							
Capitation Payments:							
1.	Medical groups						
2.	Intermediaries						
3.	All other providers						
4.	Total capitation payments						
Other Payments:							
5.	Fee-for-service	(19,038)	100.000	X X X	X X X		(19,038)
6.	Contractual fee payments			X X X	X X X		
7.	Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8.	Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9.	Non-contingent salaries			X X X	X X X		
10.	Aggregate cost arrangements			X X X	X X X		
11.	All other payments			X X X	X X X		
12.	Total other payments	(19,038)	100.000	X X X	X X X		(19,038)
13.	Total (Line 4 plus Line 12)	(19,038)	100.000	X X X	X X X		(19,038)

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4	5	6
NAIC Code	Name of Intermediary	Capitation Paid	Average Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC
NONE					
9999999			X X X	X X X	X X X

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

		1	2	3	4	5	6
Description		Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1.	Administrative furniture and equipment .....	.....	.....	.....	.....	.....	.....
2.	Medical furniture, equipment and fixtures	N O N E		.....	.....	.....	.....
3.	Pharmaceuticals and surgical supplies .....			.....	.....	.....	.....
4.	Durable medical equipment .....			.....	.....	.....	.....
5.	Other property and equipment .....			.....	.....	.....	.....
6.	Total .....	.....	.....	.....	.....	.....	.....

Notes to Financial Statement

1. Summary of Significant Accounting Policies

- A. The financial statements of Windsor Health Plan of TN, Inc. ("WHP") are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance ("Department").

The Department recognizes only statutory accounting practices prescribed or permitted by the State of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. Effective January 1, 2001, the Department required that insurance companies domiciled in the State of Tennessee prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") as modified by the Department. Accordingly, the admitted assets, liabilities, capital and surplus of WHP as of December 31, 2004 and 2003, and the results of its operations and cash flows for the years then ended have been determined in accordance with the NAIC accounting principles.

There are no differences affecting WHP's net income or capital and surplus as a result of differences between the NAIC SAP and practices prescribed and permitted by the State of Tennessee.

Effective July 1, 2002, WHP signed Amendments I and II to the Contractor Risk Agreement with the State of Tennessee. Under the terms of these amendments, WHP has effectively become an administrative services only ("ASO") provider throughout an 18-month "stabilization" period. The contract changes provided an administrative services only fee to cover the processing of claims and other administrative costs of WHP; all medical risk shifted to the State of Tennessee with incurred dates of service beginning July 1, 2002. In December 2003 WHP signed Amendment IV to the Contractor Risk Agreement with the State of Tennessee, with a stated effective date of July 1, 2001. This amendment extended the stabilization period through December 31, 2004 (an additional 12 months), with an automatic renewal for calendar year 2005. WHP has followed SAP No. 47 to account for the ASO operations from July 1, 2002 through December 31, 2005.

In June 2003, the Company signed Amendment III to the Agreement. Amendment III provides clarification regarding the payment of variable administrative fees by the TennCare program.

In December 2003, the Company signed Amendment IV to the Agreement. Amendment IV extended the Stabilization Period through December 31, 2004 with an automatic renewal through December 31, 2005. The Agreement may be terminated by the Company or the State of Tennessee subject to certain provisions as described in Amendment IV.

- B. The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- C. Accounting Policy
- (1) Bonds are stated at amortized cost and bond premium is amortized using the straight-line method.
 - (2) Medical Claims Payable represents the liability for services that have been performed by providers for the enrollees of the health maintenance organization through the period of June 30, 2002 (prior to the ASO arrangement). This liability includes medical and hospital expense claims reported to the Company and an actuarially determined estimate of claims that have been incurred but not reported. This estimate is based on the Company's available data history of claims paid. Medical expenses also include the payments made to providers under capitation arrangements.

2. Accounting Changes and Corrections of Errors

- A. There were no changes in accounting principles or corrections of errors during 2005 or 2004.
- B. Accounting changes adopted to conform to the provisions of the NAIC SAP, as modified, are reported as changes in accounting principles. The cumulative effect of the changes in accounting principles has been reported as an adjustment of unassigned surplus at January 1, 2001. The cumulative effect is the difference between the amount of capital and surplus at January 1, 2001 and the amount of capital and surplus that

Notes to Financial Statement

would have been reported at that data if the new accounting principles had been applied retroactively for all prior periods. The adoption of the new accounting principles in the NAIC SAP, as modified, has the effect of increasing capital and surplus at January 1, 2001 by \$73,310.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

7. Investment Income

No investment income due or accrued has been non-admitted for 2005 or 2004.

8. Derivative Instruments

Not applicable.

9. Income Taxes

Windsor Health Group, Inc. files a consolidated federal tax return which includes the operations of WHP and its other subsidiaries (please refer to Schedule Y for further details). There were no deferred tax assets or liabilities reported by WHP at December 31, 2004. The 2005 returns have not been completed as of March 1, 2006.

10. Information Concerning Parent, Subsidiaries and Affiliates

Windsor Health Group, Inc. ("WHG") owns 100% of the outstanding common stock of WHP. Windsor also owns 100% of the outstanding common stock of Windsor Management Services, Inc. ("WMS") In addition, the Directors of WHP own 64.1% of the outstanding common stock of WHG, with the additional 10.3% being owned by Vanderbilt Health Services, Inc., 22.4% being owned by Pharos Capital Partners II, L.P. and the remaining 3.2% being owned by Delta Venture Partners, L.P.

WMS provides all management activities for WHP, in exchange for a base fee stipulated in a management contract between the parties. As of December 31, 2005, WHP had a receivable from WMS in the amount of \$347,586, resulting from an overpayment in the estimation of December 2005's management fees. As of December 31, 2004, WHP owed WMS \$972 for management fees.

Under the ASO arrangement, each month there is a large discrepancy between the administrative fee revenue received by WHP and the related management fee expense resulting from the stipulated management contract calculation. As a result, WHP was experiencing significant monthly losses. In July 2003, WMS management examined the operating needs of WMS and made a decision to forgive a portion of the monthly management fee. It was determined that effective July 1, 2003 management fees would equal the monthly administrative fee revenue received by WHP plus the amounts owed by the State for the case and disease management reimbursement. Any difference between the new calculation and the management fee calculation per the management contract (implied premium revenue x 11.5% less the subordinated note interest expense) would be forgiven by WMS. For 2004, \$2,139,521 of calculated management fees have not been charged to WHP. A formal Board of Directors decision to approve the final 2004 forgiveness amount was made in March 2005. For 2005, \$3,326,320 of calculated management fees have not been charged to WHP. A formal Board of Directors decision to approve the final 2005 forgiveness amount is anticipated after the March 1, 2006 statement filing deadline.

As prescribed by NAIC guidelines, management fees have been allocated to the appropriate expense categories for the purposes of completing the Underwriting and Investment Exhibit, Part 3. In order to allocate the management fees to WHP, a ratio of each expense to total expenses incurred by the management company is calculated. The ratios are then applied to management fees so that an amount can be allocated to each expense category.

11. Debt

On March 30, 2001 Vanderbilt University issued a subordinated surplus note to WHP in the amount of \$4,231,300. Interest is calculated quarterly, according to the terms of the note agreement, at the prime rate of Bank America on the date of measurement. Interest is recorded and paid only after express permission from the

Notes to Financial Statement

Commissioner of Insurance in the State of Tennessee has been received. As of December 31, 2004, interest totaling \$511,640 is due to VHS, but has not been recorded as expense or a payable on the statutory financial statements since it has not been approved. During 2002, interest in the amount of \$163,456 (for the periods of July 2001 to March 2002) was approved and paid to the note holder. As of December 31, 2003, WHP was also in default of one of the provisions of the surplus note relating to recurring net losses, but received a waiver from VHS effective until January 1, 2005. For 2004 and 2005, WHP was not in default of any note provisions.

12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

Not applicable - WHP does not have any employees.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations.

As of December 31, 2005 and 2004, there were 100,000 shares of \$1.00 par value common stock issued and outstanding. The maximum amount of dividends that can be paid to shareholders, with the prior approval of the Tennessee Commissioner of Insurance, is limited to the greater of 10% of net worth as of December 31 next preceding or the net income from operations (excluding realized capital gains) for the twelve-month period ending December 31 next preceding.

As of December 31, 2005 and 2004, WHP's minimum net worth requirements were \$2,691,461 and \$2,068,212, respectively. WHP was in compliance with these requirements for both years.

14. Contingencies

Not applicable.

15. Leases

Not applicable.

16. Information About Financial Instruments with Off-Balance-Sheet Risk, Financial Instruments with Concentration of Credit Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
ASO Plan Activities**

The loss from operations from Administrative Services Only uninsured plans was as follows during 2005 and 2004:

	<u>2005</u>	<u>2004</u>
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	0	\$149,967
b. Total net other income or expenses (including interest paid to or received from plans)	<u>0</u>	<u>0</u>
c. Net gain or (loss) from operations		(\$149,967)
d. Total claim payment volume	\$97,525,690	\$59,995,765

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. September 11 Events

Not applicable.

21. Other Items

Effective February 24, 2005, Victory Health Plan, Inc. formally changed its legal name to Windsor Health Plan of TN, Inc. dba VHP CommunityCare.

Notes to Financial Statement

As of December 31, 2004, WHP recorded \$39,309 of amounts receivable for the case and disease management reimbursement for the period of October - December 2004. This amount was received by WHP in February 2005. As of December 31, 2005, WHP recorded \$82,411 of amounts receivable for the case and disease management reimbursement for the period of July - December 2005. This amount is expected to be received in March 2006.

In September 2005, WHP received approval from the Centers for Medicare and Medicaid Services to operate as a Medicare Advantage Prescription Drug Plan beginning on January 1, 2006 in seven Tennessee counties. In 2005, WHP received \$236 for January premiums from individual members and paid \$69,490 of commissions to brokers. These amounts have been reported as unearned premiums and non-admitted prepaid expenses, respectively.

22. Events Subsequent

The 2002 contract amendments originally stipulated that the ASO arrangement would continue for a period of 18 months (ending December 31, 2003). However, in December 2003 WHP signed Amendment IV, which extended the ASO period through December 31, 2004, with an automatic renewal for calendar year 2005. The agreement between WHP and the State may be terminated by either party prior to December 31, 2005, subject to certain provisions contained in Amendment IV. The State of Tennessee continues to be in the process of examining and changing the structure of and benefits provided by the TennCare program and has preliminarily indicated that the medical risk will shift back to the managed care organizations at some future date (2006 or later).

In February 2006, a lawsuit brought by the family of a former WHP TennCare member was settled through a mediation process. Vanderbilt University was a party to the suit as well. WHP's portion of the settlement is \$83,000 with an additional estimation of related legal fees owed for the plaintiff's attorney fees of an additional \$15,000. All parties have signed the release to close the suit and WHP has recorded the \$98,000 as a liability as of December 31, 2005.

23. Reinsurance

A. Ceded Reinsurance

WHP does not have any ceded reinsurance for 2005 or 2004. All capitation agreements ended November 30, 2005 and WHP has not procured reinsurance for the future.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

WHP had no liability for claims unpaid as of December 31, 2005 and 2004.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserve

Not applicable.

31. Anticipated Salvage and Subrogation

Not applicable.

SUMMARY INVESTMENT SCHEDULE

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities				
1.2	U.S. government agency obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies				
1.22	Issued by U.S. government sponsored agencies				
1.3	Foreign government (including Canada, excluding mortgage-backed securities)				
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations				
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43	Revenue and assessment obligations				
1.44	Industrial development and similar obligations				
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Issued or Guaranteed by GNMA				
1.512	Issued or Guaranteed by FNMA and FHLMC	2,803,180	55.482	2,803,180	55.482
1.513	All other				
1.52	CMOs and REMICs:				
1.521	Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522	Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523	All other				
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2	Unaffiliated foreign securities				
2.3	Affiliated securities				
3.	Equity interests:				
3.1	Investments in mutual funds				
3.2	Preferred stocks:				
3.21	Affiliated				
3.22	Unaffiliated				
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated				
3.32	Unaffiliated				
3.4	Other equity securities:				
3.41	Affiliated				
3.42	Unaffiliated				
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated				
3.52	Unaffiliated				
4.	Mortgage loans:				
4.1	Construction and land development				
4.2	Agricultural				
4.3	Single family residential properties				
4.4	Multifamily residential properties				
4.5	Commercial loans				
4.6	Mezzanine real estate loans				
5.	Real estate investments:				
5.1	Property occupied by company				
5.2	Property held for production of income (including \$..... of property acquired in satisfaction of debt)				
5.3	Property held for sale (including \$..... property acquired in satisfaction of debt)				
6.	Contract loans				
7.	Receivables for securities				
8.	Cash, cash equivalents and short-term investments	2,249,235	44.518	2,249,235	44.518
9.	Other invested assets				
10.	Total invested assets	5,052,415	100.000	5,052,415	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Tennessee
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

06/30/2004
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

06/30/1997
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

02/23/1998
- 3.4 By what department or departments?
Tennessee Department of Commerce & Insurance
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, 424 Church Street, Suite 2400 Nashville, Tennessee 37219
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Edgar Schneider, actuary, Reden & Anders Ltd, 2170 Satellite Blvd, Suite 150, Duluth, GA 30097
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value

\$
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[X] N/A[]
- 12.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)
BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
14. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11 To directors or other officers

16.12 To stockholders not officers

16.13 Trustees, supreme or grand (Fraternal only)

\$
\$
\$
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21 To directors or other officers

16.22 To stockholders not officers

16.23 Trustees, supreme or grand (Fraternal only)

\$
\$
\$
- 17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 17.2 If yes, state the amount thereof at December 31 of the current year:

17.21 Rented from others

17.22 Borrowed from others

17.23 Leased from others

17.24 Other

\$
\$
\$
\$
- 18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 18.2 If answer is yes:

18.21 Amount paid as losses or risk adjustment

18.22 Amount paid as expenses

18.23 Other amounts paid

\$
\$
\$
- 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[]
- 19.2 If yes, indicate any amounts receivable from parent included in the page 2 amount:

\$ 347,586

INVESTMENT

- 20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes[] No[X]
- 20.2 If no, give full and complete information, relating thereto:

Cash Equivalent Investments are held by Bank of America, Georgia.
- 21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1).

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Loaned to others

21.22 Subject to repurchase agreements

21.23 Subject to reverse repurchase agreements

21.24 Subject to dollar repurchase agreements

21.25 Subject to reverse dollar repurchase agreements

21.26 Pledged as collateral

21.27 Placed under option agreements

21.28 Letter stock or securities restricted as to sale

21.29 Other

\$
\$
\$
\$
\$
\$
\$
\$
\$
\$
- 21.3 For category (21.28) provide the following:
- | 1 | 2 | 3 |
|-----------------------|-------------|--------|
| Nature of Restriction | Description | Amount |
| | | |
- 22.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]
- If no, attach a description with this statement.
- 23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 23.2 If yes, state the amount thereof at December 31 of the current year.

\$
24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- | 1 | 2 |
|----------------------|---------------------|
| Name of Custodian(s) | Custodian's Address |
| | |
- 24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:
- | 1 | 2 | 3 |
|---------|-------------|-------------------------|
| Name(s) | Location(s) | Complete Explanation(s) |
| | | |

GENERAL INTERROGATORIES (Continued)

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?

24.04 If yes, give full and complete information relating thereto:

Yes[] No[X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

24.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

25.2 If yes, complete the following schedule:

Yes[] No[X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
25.2999 Total

25.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

26. Provide the following information for all short term and long term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds	2,803,180	2,791,556	(11,624)
26.2 Preferred stocks .....	.....	.....	.....
26.3 Totals	2,803,180	2,791,556	(11,624)

26.4 Describe the sources of methods utilized in determining the fair values
Fair Values are obtained from the SVO when applicable, and by AmSouth Bank Investment Services when not reported by the SVO.

27.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

27.2 If no, list exceptions:

Yes[X] No[]

OTHER

28.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

\$

1 Name	2 Amount Paid
.....

29.1 Amount of payments for legal expenses, if any?

29.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

\$

1 Name	2 Amount Paid
.....

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

30.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

\$

GENERAL INTERROGATORIES (Continued)

1	2
Name	Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only:

\$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned

\$
- 1.62 Total incurred claims

\$
- 1.63 Number of covered lives

\$
- All years prior to most current three years:
- 1.64 Total premium earned

\$
- 1.65 Total incurred claims

\$
- 1.66 Number of covered lives

\$
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned

\$
- 1.72 Total incurred claims

\$
- 1.73 Number of covered lives

\$
- All years prior to most current three years:
- 1.74 Total premium earned

\$
- 1.75 Total incurred claims

\$
- 1.76 Number of covered lives

\$

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	.....	.....
2.2	Premium Denominator .....	.....	.....
2.3	Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4	Reserve Numerator .....	.....	.....
2.5	Reserve Denominator .....	.....	.....
2.6	Reserve Ratio (2.4 / 2.5) .....	.....	.....

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes[X] No[]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance?

Yes[] No[X]
- 5.2 If no, explain:

VHP's had global capitation contracts with two large provider contracts who both elected not to have reinsurance. These contracts ended 6/30/04 and 11/30/05 and no reinsurance has been procured.
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical

\$
- 5.32 Medical Only

\$
- 5.33 Medicare Supplement

\$
- 5.34 Dental

\$
- 5.35 Other Limited Benefit Plan

\$
- 5.36 Other

\$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

VHP's provider contract contain hold harmless language.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data base?

Yes[X] No[]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year

..... 1,337
- 8.2 Number of providers at end of reporting year

..... 0
- 9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months

..... 0
- 9.22 Business with rate guarantees over 36 months

..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[] No[X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses

\$
- 10.22 Amount actually paid for year bonuses

\$
- 10.23 Maximum amount payable withholds

\$
- 10.24 Amount actually paid for year withholds

\$
- 11.1 Is the reporting entity organized as:
- 11.12 A medical Group/Staff Model,

Yes[] No[X]
- 11.13 An Individual Practice Association (IPA), or,

Yes[X] No[]
- 11.14 A Mixed Model (combination of above)?

Yes[] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]
- 11.3 If yes, show the name of the state requiring such net worth.

Tennessee
- 11.4 If yes, show the amount required.

\$ 2,691,461
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]
- 11.6 If the amount is calculated, show the calculation.

Prior yr (2004) premium revenue & administrative fee payments \$67,286,525 x 4% = \$2,691,461
12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Davidson County, TN

FIVE-YEAR HISTORICAL DATA

	1 2005	2 2004	3 2003	4 2002	5 2001
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	5,453,930	5,144,185	4,739,560	6,601,281	11,331,914
2. Total liabilities (Page 3, Line 22)	165,406	168,538	351,768	1,128,649	4,936,328
3. Statutory surplus	2,662,003	2,907,434	1,946,994	3,656,113	4,895,586
4. Total capital and surplus (Page 3, Line 31)	5,288,524	4,975,647	4,387,792	5,472,632	6,395,586
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)			60,663	32,340,696	45,412,968
6. Total medical and hospital expenses (Line 18)	(19,038)	(55,034)	(62,542)	28,215,978	39,014,848
7. Claims adjustment expenses (Line 20)					
8. Total administrative expenses (Line 21)	(326,674)	(149,967)	973,153	5,142,092	6,224,843
9. Net underwriting gain (loss) (Line 24)	345,712	205,001	(849,948)	(1,017,374)	173,277
10. Net investment gain (loss) (Line 27)	130,105	63,872	84,090	17,601	260,739
11. Total other income (Lines 28 plus 29)	(98,000)				
12. Net income or (loss) (Line 32)	377,817	268,873	(765,858)	(922,954)	270,507
RISK-BASED CAPITAL ANALYSIS					
13. Total adjusted capital	5,288,524	4,975,647	4,387,792	5,472,632	6,395,586
14. Authorized control level risk-based capital	61,169	56,832	750,846	865,511	1,048,450
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	40,951	38,361	28,910	26,632	35,711
16. Total members months (Column 6, Line 7)	512,718	416,116	334,760	389,254	296,119
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5)x 100.0					
17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Lines 18 plus Line 19)					
19. Cost containment expenses			X X X	X X X	X X X
20. Other claims adjustment expenses					
21. Total underwriting deductions (Line 23)			3,896	103	100
22. Total underwriting gain (loss) (Line 24)			(3,636)	(3)	0
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 13, Column 5)	(19,038)	9,784	821,657	3,952,908	1,222,539
24. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]		64,818	884,199	4,249,523	1,222,539
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
27. Affiliated common stocks (Sch. D Summary, Line 53, Column 2)					
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 11)					
29. Affiliated mortgage loans on real estate					
30. All other affiliated					
31. Total of above Lines 25 to 30					



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Windsor Health Plan of TN, Inc. 2. DIVISION: Nashville, Tennessee

NAIC Group Code 1268

BUSINESS IN THE STATE OF **TENNESSEE** DURING THE YEAR

NAIC Company Code 95792

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	38,361								38,361				
2. First Quarter	41,390								41,390				
3. Second Quarter	43,053								43,053				
4. Third Quarter	43,937								43,937				
5. Current Year	40,951								40,951				
6. Current Year Member Months	512,718								512,718				
Total Member Ambulatory Encounters for Year:													
7. Physician													
8. Non-Physician													
9. Total													
10. Hospital Patient Days Incurred													
11. Number of Inpatient Admissions													
12. Health Premiums Written													
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned													
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services	(19,038)								(19,038)				
18. Amount Incurred for Provision of Health Care Services	(19,038)								(19,038)				

(a) For health business: number of persons insured under PPO managed care products and number of persons insured under indemnity only products



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Windsor Health Plan of TN, Inc. 2. DIVISION: Nashville, Tennessee

NAIC Group Code 1268

BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR

NAIC Company Code 95792

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	38,361								38,361				
2. First Quarter	41,390								41,390				
3. Second Quarter	43,053								43,053				
4. Third Quarter	43,937								43,937				
5. Current Year	40,951								40,951				
6. Current Year Member Months	512,718								512,718				
Total Member Ambulatory Encounters for Year:													
7. Physician													
8. Non-Physician													
9. Total													
10. Hospital Patient Days Incurred													
11. Number of Inpatient Admissions													
12. Health Premiums Written													
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned													
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services	(19,038)								(19,038)				
18. Amount Incurred for Provision of Health Care Services	(19,038)								(19,038)				

30 Grand Total

(a) For health business: number of persons insured under PPO managed care products and number of persons insured under indemnity only products

SCHEDULE A - VERIFICATION BETWEEN YEARS
Real Estate

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	
2.	Increase (decrease) by adjustment:	
2.1	Totals, Part 1, Column 11	
2.2	Totals, Part 3, Column 7	
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	
4.	Cost of additions and permanent improvements:	
4.1	Totals, Part 1, Column 14	
4.2	Totals, Part 3, Column 9	
5.	Total profit (loss) on sales, Part 3, Column 14	
6.	Increase (decrease) by foreign exchange adjustment	
6.1	Totals, Part 1, Column 12	
6.2	Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 13	
8.	Book/adjusted carrying value at the end of current period	
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	

SCHEDULE B - VERIFICATION BETWEEN YEARS
Mortgage Loans

1.	Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	
2.	Amount loaned during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount and mortgage interest points and commitment fees	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the year	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	
12.	Total nonadmitted amounts	
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	

SCHEDULE BA - VERIFICATION BETWEEN YEARS
Long-Term Invested Assets

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	
2.	Cost of acquisitions during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the year	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book/adjusted carrying value of long-term invested assets at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	
12.	Total nonadmitted amounts	
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	

SCHEDULE D - SUMMARY BY COUNTRY
Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description			1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1.	United States	2,803,180	2,791,556	2,856,863	2,710,000
	2.	Canada				
	3.	Other Countries				
	4.	Totals	2,803,180	2,791,556	2,856,863	2,710,000
States, Territories and Possessions (Direct and Guaranteed)	5.	United States				
	6.	Canada				
	7.	Other Countries				
	8.	Totals				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States				
	10.	Canada				
	11.	Other Countries				
	12.	Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States				
	14.	Canada				
	15.	Other Countries				
	16.	Totals				
Public Utilities (unaffiliated)	17.	United States				
	18.	Canada				
	19.	Other Countries				
	20.	Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States				
	22.	Canada				
	23.	Other Countries				
	24.	Totals				
Parent, Subsidiaries and Affiliates	25.	Totals				
	26.	Total Bonds	2,803,180	2,791,556	2,856,863	2,710,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27.	United States				
	28.	Canada				
	29.	Other Countries				
	30.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States				
	32.	Canada				
	33.	Other Countries				
	34.	Totals				
Industrial and Miscellaneous (unaffiliated)	35.	United States				
	36.	Canada				
	37.	Other Countries				
	38.	Totals				
Parent, Subsidiaries and Affiliates	39.	Totals				
	40.	Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41.	United States				
	42.	Canada				
	43.	Other Countries				
	44.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States				
	46.	Canada				
	47.	Other Countries				
	48.	Totals				
Industrial and Miscellaneous (unaffiliated)	49.	United States				
	50.	Canada				
	51.	Other Countries				
	52.	Totals				
Parent, Subsidiaries and Affiliates	53.	Totals				
	54.	Total Common Stocks				
	55.	Total Stocks				
	56.	Total Bonds and Stocks	2,803,180	2,791,556	2,856,863	

SCHEDULE D - Verification Between Years
Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	1,340,158	7. Amortization of premium	42,453
2. Cost of bonds and stocks acquired, Column 7, Part 3	2,045,475	8. Foreign Exchange Adjustment:	
3. Accrual of discount		8.1 Column 15, Part 1	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1	
4.1 Columns 12 - 14, Part 1		8.3 Column 16, Part 2, Section 2	
4.2 Column 15 - 17, Part 2, Section 1		8.4 Column 15, Part 4	
4.3 Column 15, Part 2, Section 2			
4.4 Column 11 - 13, Part 4		9. Book/adjusted carrying value at end of current period	2,803,180
5. Total gain (loss), Column 19, Part 4		10. Total valuation allowance	
6. Deduct consideration for bonds and stocks disposed of		11. Subtotal (Lines 9 plus 10)	2,803,180
Column 7, Part 4	540,000	12. Total nonadmitted assets	
		13. Statement value of bonds and stocks, current period	2,803,180

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1.	U.S. Governments, Schedules D & DA (Group 1)											
1.1	Class 1		2,803,180				2,803,180	100.00	1,340,158	100.00	2,803,180	
1.2	Class 2											
1.3	Class 3											
1.4	Class 4											
1.5	Class 5											
1.6	Class 6											
1.7	TOTALS		2,803,180				2,803,180	100.00	1,340,158	100.00	2,803,180	
2.	All Other Governments, Schedules D & DA (Group 2)											
2.1	Class 1											
2.2	Class 2											
2.3	Class 3											
2.4	Class 4											
2.5	Class 5											
2.6	Class 6											
2.7	TOTALS											
3.	States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1	Class 1											
3.2	Class 2											
3.3	Class 3											
3.4	Class 4											
3.5	Class 5											
3.6	Class 6											
3.7	TOTALS											
4.	Political Subdivisions of States, Territories & Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1	Class 1											
4.2	Class 2											
4.3	Class 3											
4.4	Class 4											
4.5	Class 5											
4.6	Class 6											
4.7	TOTALS											
5.	Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1	Class 1											
5.2	Class 2											
5.3	Class 3											
5.4	Class 4											
5.5	Class 5											
5.6	Class 6											
5.7	TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6.	Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1	Class 1											
6.2	Class 2											
6.3	Class 3											
6.4	Class 4											
6.5	Class 5											
6.6	Class 6											
6.7	TOTALS											
7.	Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1	Class 1											
7.2	Class 2											
7.3	Class 3											
7.4	Class 4											
7.5	Class 5											
7.6	Class 6											
7.7	TOTALS											
8.	Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1	Class 1											
8.2	Class 2											
8.3	Class 3											
8.4	Class 4											
8.5	Class 5											
8.6	Class 6											
8.7	TOTALS											
9.	Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1	Class 1											
9.2	Class 2											
9.3	Class 3											
9.4	Class 4											
9.5	Class 5											
9.6	Class 6											
9.7	TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year												
10.1	Class 1		2,803,180				2,803,180	100.00	X X X	X X X	2,803,180	
10.2	Class 2								X X X	X X X		
10.3	Class 3								X X X	X X X		
10.4	Class 4								X X X	X X X		
10.5	Class 5						(c)		X X X	X X X		
10.6	Class 6						(c)		X X X	X X X		
10.7	TOTALS		2,803,180				(b) 2,803,180	100.00	X X X	X X X	2,803,180	
10.8	Line 10.7 as a % of Column 6		100.00				100.00	X X X	X X X	X X X	100.00	
11. Total Bonds Prior Year												
11.1	Class 1		1,340,158				X X X	X X X	1,340,158	100.00	1,340,158	
11.2	Class 2						X X X	X X X				
11.3	Class 3						X X X	X X X				
11.4	Class 4						X X X	X X X				
11.5	Class 5						X X X	X X X	(c)			
11.6	Class 6						X X X	X X X	(c)			
11.7	TOTALS		1,340,158				X X X	X X X	(b) 1,340,158	100.00	1,340,158	
11.8	Line 11.7 as a % of Col. 8		100.00				X X X	X X X	100.00	X X X	100.00	
12. Total Publicly Traded Bonds												
12.1	Class 1		2,803,180				2,803,180	100.00	1,340,158	100.00	2,803,180	X X X
12.2	Class 2											X X X
12.3	Class 3											X X X
12.4	Class 4											X X X
12.5	Class 5											X X X
12.6	Class 6											X X X
12.7	TOTALS		2,803,180				2,803,180	100.00	1,340,158	100.00	2,803,180	X X X
12.8	Line 12.7 as a % of Col. 6		100.00				100.00	X X X	X X X	X X X	100.00	X X X
12.9	Line 12.7 as a % of Line 10.7, Col. 6, Section 10		100.00				100.00	X X X	X X X	X X X	100.00	X X X
13. Total Privately Placed Bonds												
13.1	Class 1										X X X	
13.2	Class 2										X X X	
13.3	Class 3										X X X	
13.4	Class 4										X X X	
13.5	Class 5										X X X	
13.6	Class 6										X X X	
13.7	TOTALS										X X X	
13.8	Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9	Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

(a) Includes \$..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
(b) Includes \$..... current year, \$..... prior year of bonds with Z designations and \$..... current year, \$..... prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
(c) Includes \$..... current year, \$..... prior year of bonds with 5* designations and \$..... current year, \$..... prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1.	U.S. Governments, Schedules D & DA (Group 1)											
1.1	Issuer Obligations											
1.2	Single Class Mortgage-Backed/Asset-Backed Securities		2,803,180				2,803,180	100.00	1,340,158	100.00	2,803,180	
1.7	TOTALS		2,803,180				2,803,180	100.00	1,340,158	100.00	2,803,180	
2.	All Other Governments, Schedules D & DA (Group 2)											
2.1	Issuer Obligations											
2.2	Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3	Defined											
2.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5	Defined											
2.6	Other											
2.7	TOTALS											
3.	States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)											
3.1	Issuer Obligations											
3.2	Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3	Defined											
3.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5	Defined											
3.6	Other											
3.7	TOTALS											
4.	Political Subdivisions of States, Territories & Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1	Issuer Obligations											
4.2	Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3	Defined											
4.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5	Defined											
4.6	Other											
4.7	TOTALS											
5.	Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, SCH. D & DA (Group 5)											
5.1	Issuer Obligations											
5.2	Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3	Defined											
5.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5	Defined											
5.6	Other											
5.7	TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined											
6.6 Other											
6.7 TOTALS											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations											
7.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined											
7.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
7.5 Defined											
7.6 Other											
7.7 TOTALS											
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations											
8.7 TOTALS											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined											
9.6 Other											
9.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
10. Total Bonds Current Year											
10.1 Issuer Obligations								X X X	X X X		
10.2 Single Class Mortgage-Backed/Asset-Backed Securities		2,803,180				2,803,180	100.00	X X X	X X X	2,803,180	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined								X X X	X X X		
10.4 Other								X X X	X X X		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 TOTALS		2,803,180				2,803,180	100.00	X X X	X X X	2,803,180	
10.8 Line 10.7 as a % of Column 6		100.00				100.00	X X X	X X X	X X X	100.00	
11. Total Bonds Prior Year											
11.1 Issuer Obligations						X X X	X X X				
11.2 Single Class Mortgage-Backed/Asset-Backed Securities		1,340,158				X X X	X X X	1,340,158	100.00	1,340,158	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						X X X	X X X				
11.4 Other						X X X	X X X				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined						X X X	X X X				
11.6 Other						X X X	X X X				
11.7 TOTALS		1,340,158				X X X	X X X	1,340,158	100.00	1,340,158	
11.8 Line 11.7 as a % of Column 8		100.00				X X X	X X X	100.00	X X X	100.00	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations											X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities		2,803,180				2,803,180	100.00	1,340,158	100.00	2,803,180	X X X
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined											X X X
12.4 Other											X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined											X X X
12.6 Other											X X X
12.7 TOTALS		2,803,180				2,803,180	100.00	1,340,158	100.00	2,803,180	X X X
12.8 Line 12.7 as a % of Column 6		100.00				100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10		100.00				100.00	X X X	X X X	X X X	100.00	X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										X X X	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined										X X X	
13.4 Other										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 TOTALS										X X X	
13.8 Line 13.7 as a % of Column 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10							X X X	X X X	X X X	X X X	

39	Schedule DA Part 2	NONE
40	Schedule DB Part A Verification	NONE
40	Schedule DB Part B Verification	NONE
41	Schedule DB Part C Verification	NONE
41	Schedule DB Part D Verification	NONE
41	Schedule DB Part E Verification	NONE
42	Schedule DB Part F Sn 1 - Sum Replicated Assets	NONE
43	Schedule DB Part F Sn 2 - Recon Replicated Assets	NONE
44	Schedule S - Part 1 - Section 2	NONE
45	Schedule S - Part 2	NONE
46	Schedule S - Part 3 - Section 2	NONE
47	Schedule S - Part 4	NONE
48	Schedule S - Part 5	NONE

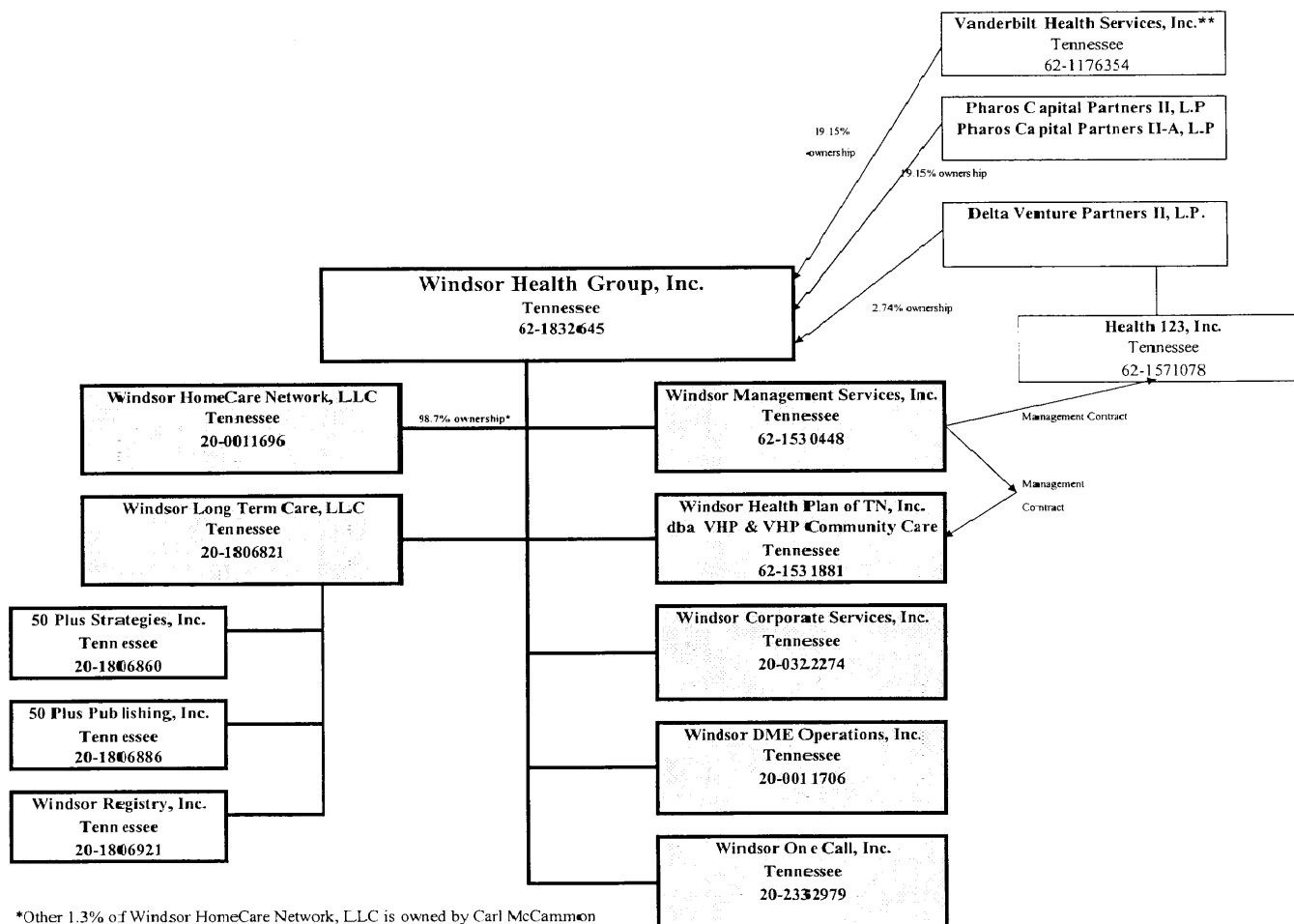
SCHEDULE S - PART 6
Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	5,052,415		5,052,415
2. Accident and health premiums due and unpaid (Line 13)			
3. Amounts recoverable from reinsurers (Line 14.1)			
4. Net credit for ceded reinsurance	X X X	236	236
5. All other admitted assets (Balance)	401,515		401,515
6. Total assets (Line 26)	5,453,930	236	5,454,166
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)			
8. Accrued medical incentive pool and bonus payments (Line 2)			
9. Premiums received in advance (Line 8)	236		236
10. Reinsurance in unauthorized companies (Line 18)			
11. All other liabilities (Balance)	165,170		165,170
12. Total liabilities (Line 22)	165,406		165,406
13. Total capital and surplus (Line 31)	5,288,524	X X X	5,288,524
14. Total liabilities, capital and surplus (Line 32)	5,453,930		5,453,930
NET CREDIT FOR CEDED REINSURANCE			
15. Claims unpaid			
16. Accrued medical incentive pool			
17. Premiums received in advance	236		
18. Reinsurance recoverable on paid losses			
19. Other ceded reinsurance recoverables			
20. Total ceded reinsurance recoverables	236		
21. Premiums receivable			
22. Unauthorized reinsurance			
23. Other ceded reinsurance payables/offsets			
24. Total ceded reinsurance payables/offsets			
25. Total net credit for ceded reinsurance	236		

50 Schedule T - Premiums and Other Considerations NONE

50.1 Schedule T - Pt 2 - Interstate Compact Products NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER **MEMBERS OF A HOLDING COMPANY GROUP** **PART 1 - ORGANIZATIONAL CHART**



*Other 1.3% of Windsor HomeCare Network, LLC is owned by Carl McCammon

**Vanderbilt Health Services, Inc. is a subsidiary of Vanderbilt University

SCHEDULE Y (Continued)
PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
..... 95792 .....	.. 62-1530448 62-1531881 ..	Windsor Management Services, Inc. Windsor Health Plan of TN, Inc. ....	.....	.....	.....	.....	..... 6,143,112 (6,143,112) .....	.....	.....	.....	..... 6,143,112 (6,143,112) .....	.....
9999999 Totals .....			.....	.....	.....	.....	.....	.....	X X X	.....	.....	.....

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING	
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	Waived
2. Will an actuarial opinion be filed by March 1?	Waived
3. Will the Risk-based Capital Report be filed with the NAIC by March 1?	Waived
4. Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?	Waived
APRIL FILING	
5. Will Management's Discussion and Analysis be filed by April 1?	Waived
6. Will the Investment Risks Interrogatories be filed by April 1?	Waived
JUNE FILING	
7. Will an audited financial report be filed by June 1?	Waived

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING	
8. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	No
9. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	No
10. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	No
11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	No
APRIL FILING	
12. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile by April 1?	No
13. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	No
14. Will the Supplemental Property/Casualty data due April 1 be filed with the state of domicile and the NAIC?	No

Explanations:

Bar Codes:

Supplemental Compensation Exhibit



Statement of Actuarial Opinion / Certification



Risk-Based Capital Filing



Management's Discussion & Analysis of Operations



Supplemental Investment Risks Interrogatories



Audited Financial Report



Medicare Supplement Insurance Experience Exhibit



Health Life Supplement



Health Property / Casualty Supplement



Schedule SIS



LTC Experience Reporting Form C



Health Life Supplement



Health Property / Casualty Supplement



OVERFLOW PAGE FOR WRITE-INS

E01 Schedule A - Part 1 Real Estate Owned NONE

E02 Schedule A - Part 2 Real Estate Acquired NONE

E03 Schedule A - Part 3 Real Estate Sold NONE

E04 Schedule B - Part 1 Mortgage Loans Owned NONE

E05 Schedule B - Part 2 Mortgage Loans Sold NONE

E06 Schedule BA - Part 1 Invested Assets Owned NONE

E07 Schedule BA - Part 2 Invested Assets Sold NONE

SCHEDULE D - PART 1
Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
CUSIP Identifi- cation	Description	3	4	5	NAIC Design- ation	Actual Cost	8	9	Par Value	Book/ Adjusted Carrying Value	12	13	14	15	16	17	18	19	20	21	22
		*	F O R E I G N	B O N D C H A R			Rate Used to Obtain Fair Value	Fair Value			Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	How Paid	Admitted Amount Due and Accrued	Gross Amount Received During Year	Acquired	Maturity
U.S. Governments - Issuer Obligations																					
3133MEU66	Federal Home Loan Bank Note				1	811,388	102.2900	787,633	770,000	776,898		20,694			5.375	2.603	5,11	5,173	41,388	05/14/2004	05/16/2006
31359MGH0	Federal National Mortgage Association				1	228,375	103.2950	216,920	210,000	221,693		6,682			6.625	3.273	4,10	2,937	6,956	01/14/2005	10/15/2007
31359MGH0	Federal National Mortgage Association				1	106,550	103.2950	103,295	100,000	104,743		1,807			6.625	3.768	4,10	1,399	3,313	05/13/2005	10/15/2007
31359MGH0	Federal National Mortgage Association				1	348,150	103.2950	340,874	330,000	345,246		2,904			6.625	3.850	4,10	4,615	10,931	09/15/2005	10/15/2007
31359MGH0	Federal National Mortgage Association				1	1,362,400	103.2950	1,342,835	1,300,000	1,354,600		7,800			6.625	4.138	4,10	18,182	43,063	10/03/2005	10/15/2007
0199999 Subtotal - U.S. Governments - Issuer Obligations						2,856,863	X X X	2,791,556	2,710,000	2,803,180		39,887			X X X	X X X	X X X	32,306	105,650	X X X	X X X
0399999 Subtotal - U.S. Governments						2,856,863	X X X	2,791,556	2,710,000	2,803,180		39,887			X X X	X X X	X X X	32,306	105,650	X X X	X X X
5499999 Subtotals - Issuer Obligations						2,856,863	X X X	2,791,556	2,710,000	2,803,180		39,887			X X X	X X X	X X X	32,306	105,650	X X X	X X X
6099999 Grand Total - Bonds						2,856,863	X X X	2,791,556	2,710,000	2,803,180		39,887			X X X	X X X	X X X	32,306	105,650	X X X	X X X

E09 Schedule D - Part 2 Sn 1 Prfrd Stocks Owned NONE

E10 Schedule D - Part 2 Sn 2 Common Stocks Owned NONE

SCHEDULE D - PART 3
Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
31359MGH0	Federal National Mortgage Association		01/14/2005 ..	AmSouth Investment Services	X X X	228,375	210,000.00	3,955
31359MGH0	Federal National Mortgage Association		05/13/2005 ..	AmSouth Investment Services	X X X	106,550	100,000.00 .....	.....
31359MGH0	Federal National Mortgage Association		09/15/2005 ..	AmSouth Investment Services	X X X	348,150	330,000.00	9,109
31359MGH0	Federal National Mortgage Association		10/03/2005 ..	AmSouth Investment Services	X X X	1,362,400	1,300,000.00	40,192
0399999 Subtotal - Bonds - U.S. Governments						2,045,475	1,940,000.00	53,256
6099997 Subtotal - Bonds - Part 3						2,045,475	1,940,000.00	53,256
6099998 Summary item from Part 5 for Bonds .....						.....	.....	.....
6099999 Subtotal - Bonds						2,045,475	1,940,000.00	53,256
6599998 Summary Item from Part 5 for Preferred Stocks .....						.....	X X X .....	.....
7299998 Summary Item from Part 5 for Common Stocks .....						.....	X X X .....	.....
7399999 Subtotal - Preferred and Common Stocks .....						.....	X X X .....	.....
7499999 Totals						2,045,475	X X X	53,256

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (Cols. 11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest Stock Dividends Received During Year	Maturity Date
Bonds - U.S. Governments																				
3133MKYS0	Federal Home Loan Bank Note		01/14/2005	AmSouth Investment Services	X X X	110,000	110,000.00	115,088	110,000						110,000				2,269	01/14/2005
3133MNS69	Federal Home Loan Bank Note		05/13/2005	AmSouth Investment Services	X X X	100,000	100,000.00	105,500	100,917		917		917		100,000				2,040	05/13/2005
3134A4RA4	Federal Home Loan Mortgage Corporation		09/15/2005	AmSouth Investment Services	X X X	330,000	330,000.00	334,950	331,650		1,650		1,650		330,000				9,488	09/15/2005
0399999	Subtotal - Bonds - U.S. Governments					540,000	540,000.00	555,538	542,567		2,567		2,567		540,000				13,796	X X X
6099997	Subtotal - Bonds - Part 4					540,000	540,000.00	555,538	542,567		2,567		2,567		540,000				13,796	X X X
6099998	Summary Item from Part 5 for Bonds																			X X X
6099999	Subtotal - Bonds					540,000	540,000.00	555,538	542,567		2,567		2,567		540,000				13,796	X X X
6599998	Summary Item from Part 5 for Preferred Stocks						X X X													X X X
7299998	Summary Item from Part 5 for Common Stocks						X X X													X X X
7399999	Subtotal - Preferred and Common Stocks						X X X													X X X
7499999	Totals					540,000	X X X	555,538	542,567		2,567		2,567		540,000				13,796	X X X

E13	Schedule D - Part 5 LT Bonds/Stocks Acquired/Disp	NONE
E14	Schedule D - Part 6 Sn 1	NONE
E14	Schedule D - Part 6 Sn 2	NONE
E15	Schedule DA - Part 1 ST Investments Owned	NONE
E16	Schedule DB - Part A Sn 1 Opt/Cap/Floor Owned	NONE
E16	Schedule DB - Part A Sn 2 Opt/Cap/Floor Acquired	NONE
E17	Schedule DB - Part A Sn 3 Opt/Cap/Floor Term	NONE
E17	Schedule DB - Part B Sn 1 Opt/Cap/Floor In-force	NONE
E18	Schedule DB - Part B Sn 2 Opt/Cap/Floor Written	NONE
E18	Schedule DB - Part B Sn 3 Opt/Cap/Floor Term	NONE
E19	Schedule DB - Part C Sn 1 Col/Swap/Fwrdr Open	NONE
E19	Schedule DB - Part C Sn 2 Col/Swap/Fwrdr Opened	NONE
E20	Schedule DB - Part C Sn 3 Col/Swap/Fwrdr Term	NONE
E20	Schedule DB - Part D Sn 1 Futures Contracts Open	NONE
E21	Schedule DB - Part D Sn 2 Futures Contracts Opened	NONE
E21	Schedule DB - Part D Sn 3 Futures Contracts Term	NONE
E22	Schedule DB - Part E Sn 1 Counterparty Exposure	NONE

SCHEDULE E - PART 1 - CASH

1			2	3	4	5	6	7
Depository			Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
open depositories								
AmSouth Bank	Nashville, Tennessee			1.335	123		89,373	X X X
Bank of America, N.A.	Atlanta, Georgia			4.109	75,416		2,159,862	X X X
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories				X X X ..				X X X
0199999 Totals - Open Depositories				X X X ..	75,539		2,249,235	X X X
0299998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories				X X X ..				X X X
0299999 Totals - Suspended Depositories				X X X ..				X X X
0399999 Total Cash On Deposit				X X X ..	75,539		2,249,235	X X X
0499999 Cash in Company's Office				X X X ..	X X X ...	X X X ...		X X X
0599999 Total Cash				X X X ..	75,539		2,249,235	X X X

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	3,538,679	4. April	3,513,273	7. July	3,682,288	10. October	2,409,738
2. February	3,565,504	5. May	3,518,860	8. August	3,621,399	11. November	2,283,756
3. March	3,574,152	6. June	3,591,644	9. September	3,595,787	12. December	2,249,235

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Gross Investment Income
<div>NONE</div>								
0199999 Total Cash Equivalents

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

		1	2	Deposits with the State of Domicile For the Benefit of All Policyholders		All Other Special Deposits	
		Type of Deposit	Purpose of Deposit	3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
States. Etc.							
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)	B	Pledged for Statutory Requirments	2,803,180	2,791,556		
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Canada (CN)						
57.	Aggregate other alien (OT)	X X X	X X X				
58.	Total	X X X	X X X	2,803,180	2,791,556		
DETAILS OF WRITE-INS							
5701	.....					
5702	.....					
5703	.....					
5798.	Summary of remaining write-ins for Line 57 from overflow page	X X X	X X X				
5799.	Totals (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X	X X X				